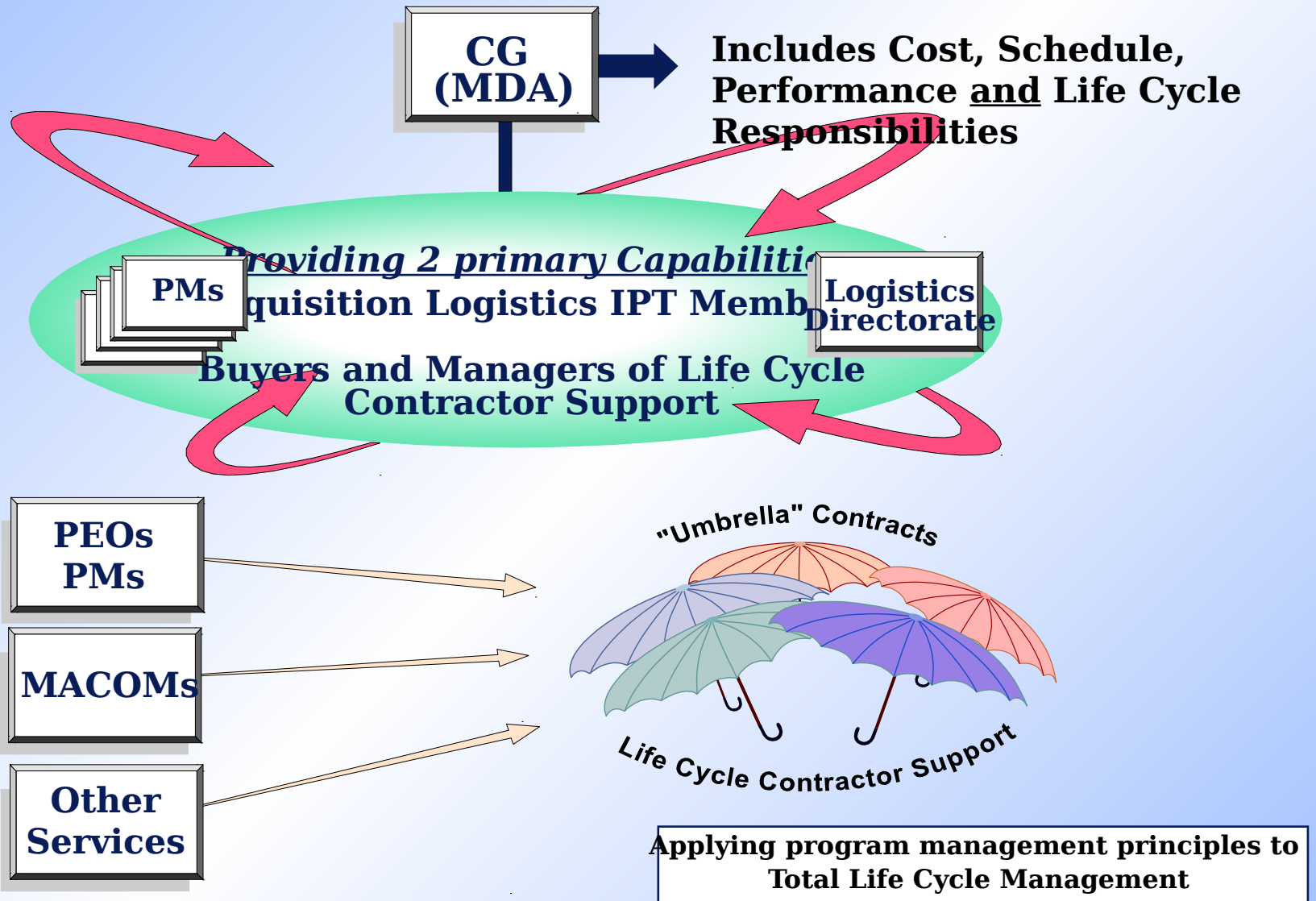


# STRICOM LOGISTICS





# STRICOM Logistics Total Life Cycle Management





# STRICOM Logistics



## Authoritative Sources

### AR70-1 (DRAFT) RDA Policy

DCSOPS -- Army Staff Proponent for Training.  
AMC-- **Manage...support of non-system TADSS and system TADSS** as requested by PEO/PM.  
-- Provide CTC device support.

### AR71-9 Force Development Materiel Requirements

DCSOPS -- Integrate...TADSS into force structure.  
AMC-- Plan & **resource modification to TADSS.**  
-- **Plan & program resources for life-cycle support of TADSS** fielded in support of assigned system & non-system TADSS.

### AR350-38 Training Device Policies & Management

PEOs-- Program & Budget \$'s to support changes to fielded TADSS resulting from changes or modifications to the system.  
STRICOM-- **Provide LCCS of non-system TADSS & system TADSS** as agreed upon with PEO.  
--Budget & provide for centralized maintenance of AMC managed TADSS & **centralized LCCS.**  
--**Retain design & configuration control over each CTC & all TADSS supported.**

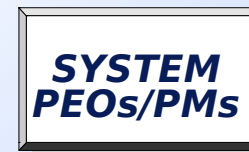
### AR350-50 Combat Training Center Program

AMC--Execute...**life cycle support of CTC TADSS including fixed instrumentation.**  
--Budget & provide for centralized contractor support.  
--Maintain design & configuration control over CTC TADSS.

## STRICOM LIFE CYCLE MANAGEMENT



PROGRAM & BUDGET FOR MODIFICATIONS OR IMPROVEMENTS TO NON-SYSTEM TADSS



PROGRAM & BUDGET FOR MODIFICATIONS OR IMPROVEMENTS TO TADSS NECESSITATED BY A MODIFICATION OR IMPROVEMENT TO THE MATERIEL SYSTEM...REGARDLESS OF WHO MANAGES.



# STRICOM Logistics Directorate



## BEFORE

LOGISTICS CERTIFICATION

**GS-0346s**

**GS-0346s**

ARMY ACQUISITION CORP.

**GS-0301s**

MATRIX SUPPORT TO PMs

"BUYERS" & MANAGERS OF  
LIFE CYCLE CONTRACTOR  
SUPPORT CONTRACTS

1 FEBRUARY 1998

## AFTER

VIRTUAL

**GS-0346**  
**GS-0301**

BMTA

GMT

CONSTRUCTIVE

**GS-0346**  
**GS-0301**

C4I

LIVE

**GS-0346**  
**GS-0301**

CTI

TERS

LIFE CYCLE ACQUISITION MANAGERS

**GS-0346**

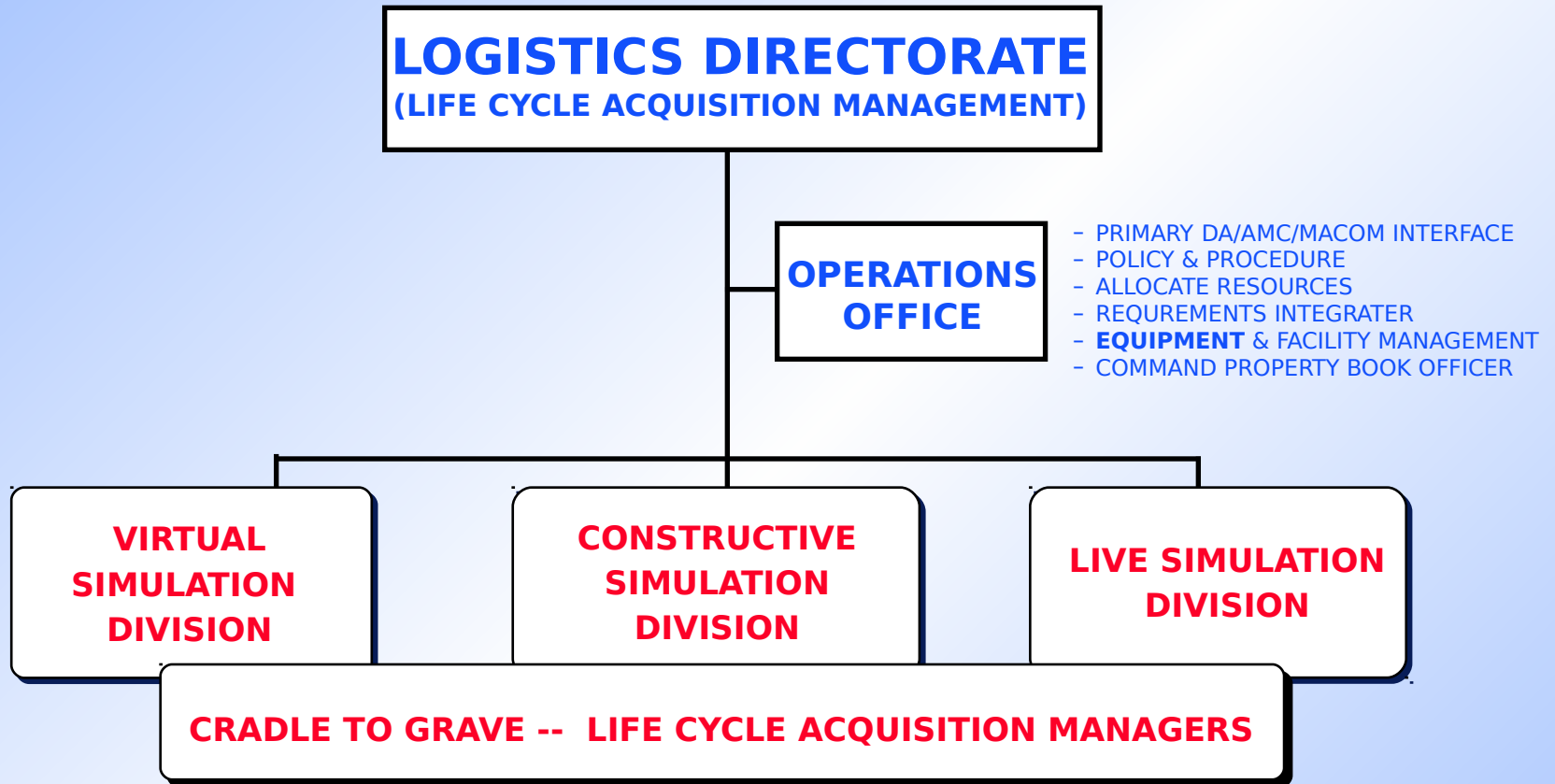
**GS-0301**

PRE-MILESTONE 0

OPERATIONAL SUPPORT



# Organization - Who Are We?



=

81 TDA  
PERSONNEL  
(62 IN 2001)

1700+  
CONTRACTOR & OGA  
PERSONNEL

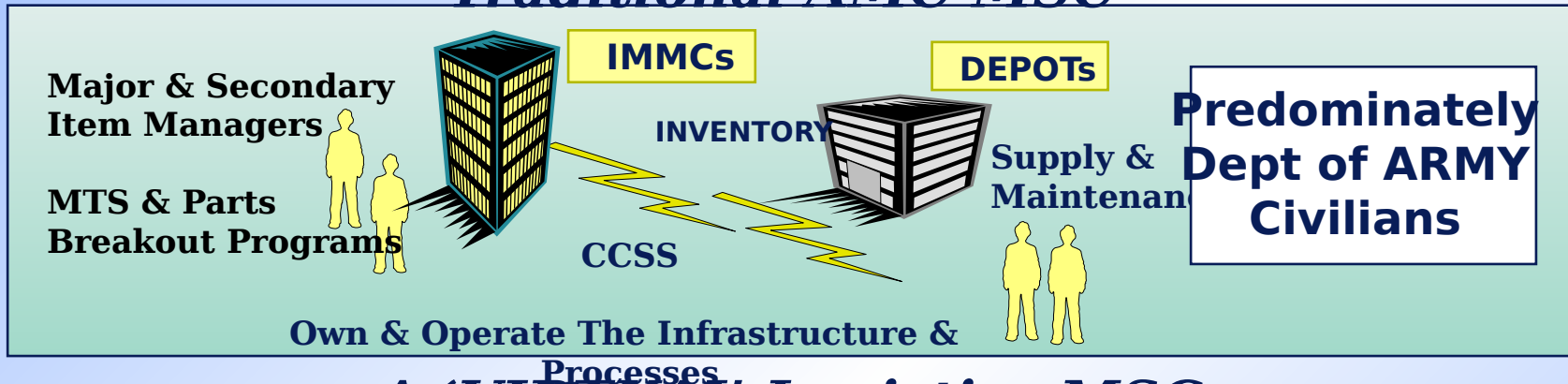
95% **OUTSOURCED**



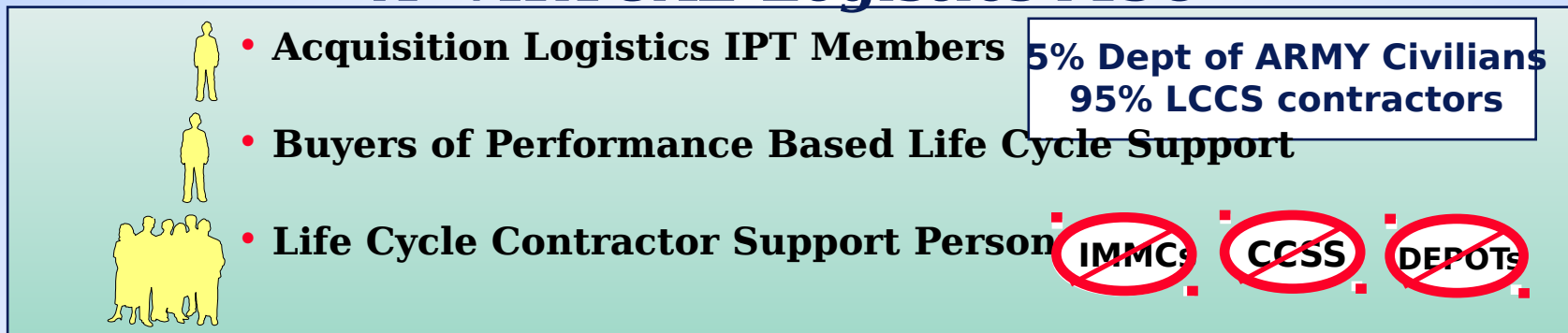
# STRICOM Logistics A Comparison



## Traditional AMC MSC



## A 'VIRTUAL' Logistics MSC



**PLUS --- ON THE NEAR TERM HORIZON, AWARD FEES TO:**

- ✓ Reduce Life Cycle Costs
- ✓ Extend Life of Parts & Systems
- ✓ Achieve Higher Availability Rates
- ✓ Keep Customers Satisfied





# Centralized Contractor Logistics Support The Success Story



**STARTING POINT**  
**14 MAR 90**

**1995**

TDA MANPOWER REDUCED → **156 to 30**

SYSTEMS SUPPORTED INCREASED → **60 +**

SERVICES PROVIDED INCREASED → **UPGRADES/PDSS/  
RELOCATIONS/  
OPERATIONS/ETC LCCS+**

DOLLARS NEEDED REDUCED →

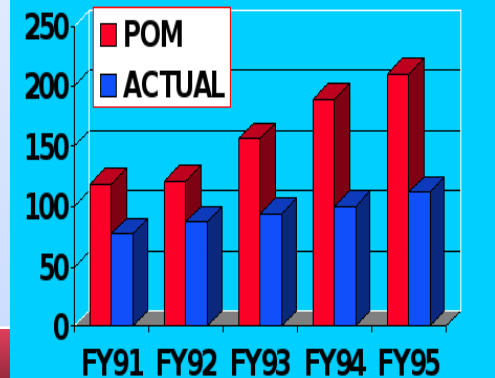
**AMC Policy to Centralize  
Contractor Logistics Support  
for AMC acquired Training  
Devices, Simulators  
and Simulations**

**"This will result in cost  
savings of OMA funds which  
are used for  
CLS Contracts."**

**GENERAL**

**TUTTLE**

**CG, AMC**



**Savings = \$325 Million**



# *LCCS Worldwide Total Program*



**ALASKA**  
**2 LOCATIONS**  
**3 CONTRACTORS**  
**9 TECHNICIANS**

**CONUS**  
**37 LOCATIONS**  
**7 CONTRACTORS**  
**1384 TECHNICIANS**

**EUROPE**  
**16 LOCATIONS**  
**6 CONTRACTORS**  
**251 TECHNICIANS**

**HAWAII**  
**2 LOCATIONS**  
**2 CONTRACTORS**  
**9 TECHNICIANS**

**KOREA**  
**4 LOCATIONS**  
**6 CONTRACTORS**  
**57 TECHNICIANS**

**PANAMA**  
**1 LOCATION**  
**1 CONTRACTOR**  
**2 TECHNICIANS**

**BOSNIA/HUNGARY**  
**1 LOCATION**  
**1 CONTRACTOR**  
**3 TECHNICIANS**

**FY98 PROGRAM**  
**\$164 MILLION**





# THE ECHELONS OF LIFE CYCLE CONTRACTOR SUPPORT



## TOTAL COST OF OWNERSHIP



Turn-Key Operation

Operators  
Instructors  
Role Players  
Facility Management

Relocations, Conversions,  
PDSS, Modifications

**STANDARD SUPPORT:**  
Supply, Maintenance, New Equipment Training, Engineering Services,  
Configuration Management, Inventory Management



TRAINED  
SOLDIER



# *STRICOM Life Cycle Contractor Support Contracts*



## ***What Are They?***

- Competitively Awarded Contracts
- Includes Support to Many “Like” Systems Fielded @ Multiple Locations
- Fixed Price Award Fee (Includes Time and Materials)
- One Year with 4 One Year Priced Options
- Contractor Bids are Based on:
  - Types of Systems
  - # of Systems
  - Locations of Systems
  - Period of Performance
  - Availability Requirements

***WE'RE BUYING PERFORMANCE***



# **STRICOM**

## **O&S COST REDUCTION INITIATIVES**



- ✓ ***SIMULATION & TRAINING SYSTEMS***  
***COST AVOIDANCE IS A PRIMARY DRIVER OF OUR TECHNOLOGY***
- ✓ ***TOP 10 COST DRIVERS***
- ✓ ***UMBRELLA CONTRACTING***
- ✓ ***LEGACY SYSTEMS***



# ***STRICOM*** ***TOP 10 COST DRIVERS***



## **PROCESS**

- **WORKING WITH EACH PM TO :**
  - **APPLY LESSONS LEARNED**
  - **IDENTIFY TOP 10 FOR EACH PROJECT & PRODUCT MANAGER AND PROJECT DIRECTOR**
- **INCORPORATE INTO ACQUISITION PROCESSES**
  - **PROGRAM REVIEWS , APBs, ASRs**
  - **MILESTONE DECISIONS (EXIT CRITERIA)**
  - **SOURCE SELECTION CRITERIA**



# ***PRIMARY O&S COST DRIVERS INITIAL RESULTS***



1. R ***NOT IN PRIORITY ORDER***
2. Requirements for system operators.
3. Support of legacy after objective system fielding.
4. Proprietary and modified COTS software and hardware (without documentation).
5. Inflexible software architecture used in development.
6. Washouts due to non fair wear and tear.
7. Hardware/Software obsolescence.
8. Delays in transition OEM support to consolidated LCCS contracts.
9. Department of Labor wage rate increases.
10. System upgrades and concurrency for training system.



# UMBRELLA CONTRACTING



## **LOOKING FOR EVEN MORE EFFICIENCIES**

### **CONTRACT STRUCTURE:**

#### **✓ FIXED PRICING**

- INHERENT INCENTIVE TO REDUCE COSTS (NUMEROUS SUCCESS STORIES)
- ADD AWARD FEE TO:
  - REDUCE LIFE CYCLE COSTS (BEYOND 5 YR CONTRACT)
  - EXTEND LIFE OF PARTS

#### **✓ COMPETITION**

- DEFINITIZE ALL KNOWN (VALID) REQUIREMENTS
- MAINTAIN COMPETITION AMONG

#### **✓ CONTRACT DURATION**

- TEST LONGER TERM CONTRACTS

## **RETIRE LEGACY SYSTEMS**

**✓ IDENTIFIED POTENTIAL CANDIDATE SYSTEMS & ASSOCIATED COST SAVINGS TO TRADOC & DA (FEB 98)**





# Life Cycle Contractor Support



## Where do savings come from?

Examples of OEM life cycle  
cost drivers

Battery  
Compartment  
Threaded Insert  
(BCTI)

Eye Shield (ES)

\$9,163.48

\$67.02

IFF Antenna Base  
Plate

(IFFABP)

Deflection Board  
(monitor)

(DBM)

Pin, Actuator  
(HPA)

B202 Vibrator Spring  
(BVS)

Ribbon Cables (RC)

\$98.00

\$69.00

The Air  
Defense/Field  
Artillery LCCS  
Contract

BCTI

\$60.15

ES

\$5.00

IFFABP

\$512.00

DBM

\$354.00

HPA

\$7.54

BVS

\$6.00

RC

\$5.00

Additional  
savings realized  
through  
Consolidations

✓ of LCCS  
Contracts

✓ One:

Prog Mgmt Team

Warehouse

G&A; O/H; Profit  
line



# *Life Cycle Contractor Support*



## ***Where does growth come from?***

### **Life Cycle Contractor Support PLUS PLUS**

#### **Life Cycle Contractor Support**

- ✓ **Adding systems**
- ✓ **Inability to retire older systems**

#### **Life Cycle Contractor Support PLUS**

- ✓ **PDSS**
- ✓ **Upgrades**
- ✓ **Conversions**
- ✓ **Relocations**

- ✓ **Operators**
- ✓ **Instructors**
- ✓ **Role Players**
- ✓ **Facilities Management**
- "TURN KEY" OPERATIONS**



# LCCS CONSOLIDATION EFFICIENCIES



## SYSTEMS NEGOTIATED INTO THE GUNNERY MAINTENANCE CONSOLIDATED CONTRACT DURING FY97

### Precision Gunnery Training System (PGT) Ft.

**Knox**

Prime Contractor

LCCS Contractor

% Reduction

**Precision Gunnery Training System (PGT)**

**63%**

**USAREUR**

Prime Contractor

LCCS Contractor

% Reduction

**Advanced Gunnery Training System (AGTS) Ft.**

**Knox**

**56%**

Prime Contractor

LCCS Contractor

% Reduction

**\$799,020**

**\$219,021**

## CONSOLIDATION OF SEVERAL CONTRACTS

**Consolidated**  
COFT + AGFT + TDT  
\$3,769K + \$1,271K + \$912K

**OEM**

Consolidated GMT  
\$2,980K

%Reduction  
**50%**



# Tracking Head Trainer (THT) Battery Assy used in IMTS



## Examples of cost savings initiatives

PARTS	OEM COST	CLS COST	SAVINGS/ITEM	REMARKS
<b>Display Assy</b>	<b>\$4417.00</b>	<b>\$24.00</b>	<b>\$4393.00</b>	
Chassis, Simcon	\$1,777.00	\$1,195.00	\$582.00	
RMP Corrective Lens	\$3,459.14	\$1,240.00	\$2,219.14	
Filter, Blue	\$300.00	\$3.47	\$296.53	
Potentiometer, Motorized	\$767.64	\$451.94	\$315.70	
CRT	\$6,400.00	\$2,422.00	\$3,978.00	
Slide Set	\$4,000.00	\$2,492.00	\$1,508.00	
Mounting Receptacle Box	\$8,300.00	\$7.31	\$8,292.69	*
Encoder	\$7,000.00	\$442.00	\$6,558.00	
<b>Tracking Head Sensor</b>	<b>\$4,056.78</b>	<b>\$28.80</b>	<b>\$4,027.98</b>	
Ferrule	\$4,056.78	\$50.38	\$4,006.40	*
Slave Processor	\$28,000.00	\$3,200.00	\$24,800.00	*
Host Processor Board	\$39,500.00	\$5,200.00	\$34,300.00	*
Peripheral I/O I	\$30,000.00	\$1,500.00	\$28,500.00	*
Peripheral I/O II	\$30,700.00	\$1,800.00	\$28,900.00	
<b>Bone Vibrator Spring</b>	<b>\$98.00</b>	<b>\$6.00</b>	<b>\$92.00</b>	
IFF Antenna Base Plate	\$1,650.00	\$512.00	\$1,138.00	
<b>Eye Shield</b>	<b>\$67.02</b>	<b>\$5.00</b>	<b>\$62.02</b>	
Rate Sensor	\$5,672.63	\$3,540.00	\$2,132.63	
** Remarks: Sold only as complete assemblies				



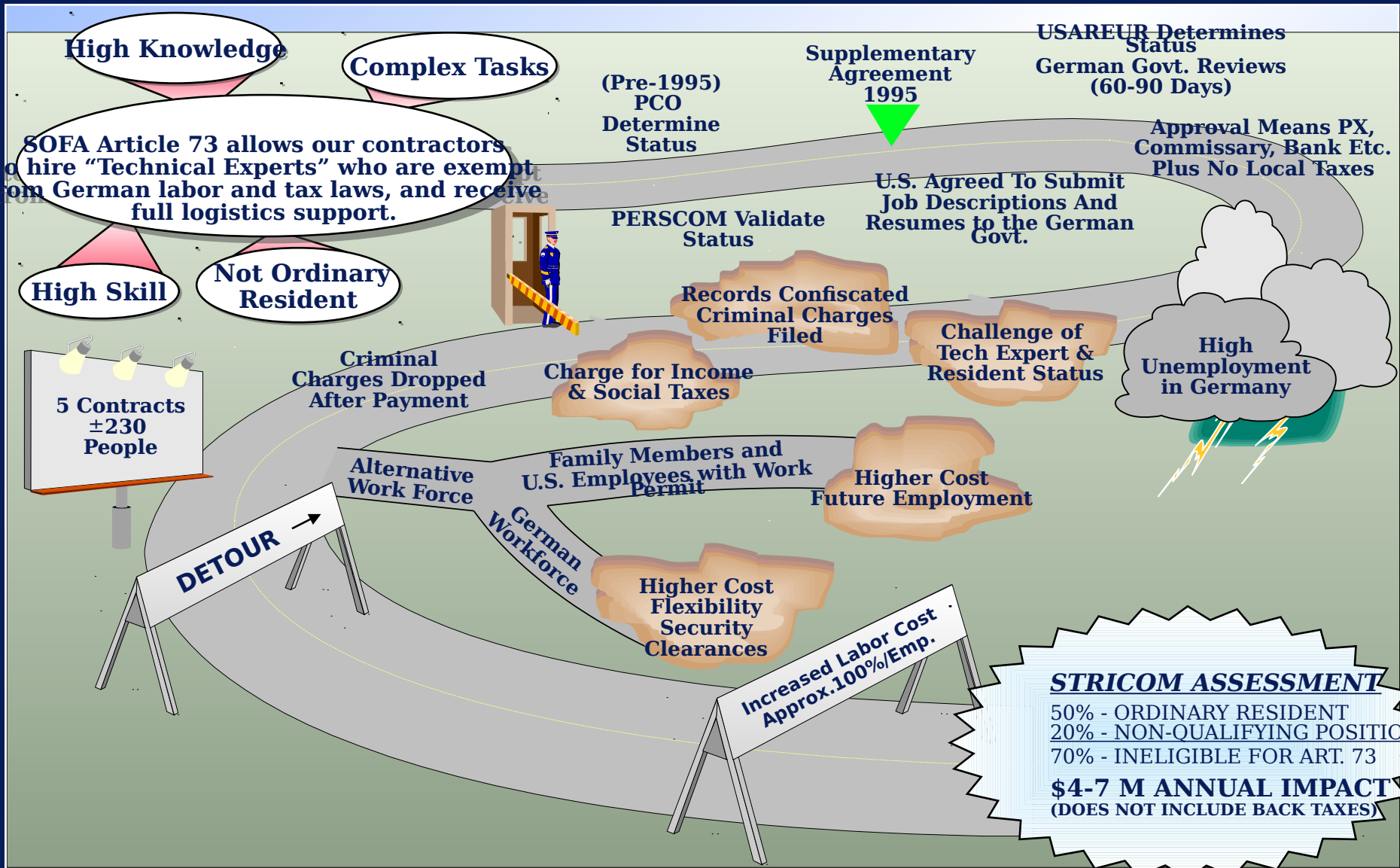
# ***MILES Cable Repair Facility***



- ✓ ***MILES I & II Cables were coded non-repairable***
- ✓ ***Loss exceeded \$1.2M/year replacement***
- ✓ ***STRICOM established 3 cable repair facilities for \$652K (not including equipment)***
- ✓ ***Average cost to repair cables now \$89.68 vs. \$300 procurement***
- ✓ ***Estimated Savings to date is \$1,529K***



# TECHNICAL EXPERTS IN GERMANY







# STRICOM LOGISTICS SUMMARY



## STRICOM "BUYS" READINESS

- DIRECT ON-SITE SUPPORT TO THE SOLDIER
- 95% OUTSOURCED
- FPAF COMPETITIVE CONTRACTS
- AWARD FEES TO FURTHER INCENTIVIZE O&S COST REDUCTION

SUPPORT  
THE  
SOLDIER



## LOGISTICS DIRECTORATE REALIGNED 1FEB98

- CRADLE TO GRAVE SUPPORT
- A NEW, MULTI-FUNCTIONAL CAREER FIELD MAY BE PROPOSED



## SIGNIFICANT O&S COST SAVINGS ALREADY ACHIEVED

- ON BOARD WITH NEW O&S COST REDUCTION INITIATIVES



## CHALLENGES AHEAD FOR ARMY TRAINING

- TRAINING REQUIREMENTS > TRAINING \$s